

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

For Further Information, Contact: Assistant United States Attorney Melanie K. Pierson (619)557-5685

For Immediate Release

NEWS RELEASE SUMMARY - July 7, 2006

United States Attorney Carol C. Lam announced that Amar Alghazouli was sentenced today in federal court in San Diego by the Honorable John A. Houston to serve 41 months in custody, based on Alghazouli's conviction for Conspiracy to Sell Merchandise Contrary to Law, Sale of Merchandise Imported Contrary to Law, Conspiracy to Launder Money, and Unlawful Sale of Freon. Judge Houston also imposed a \$7500 fine, and ordered the forfeiture of \$135,000 cash and a home in Chandler, Arizona. On March 23, 2006, a federal jury convicted Alghazouli of counts 1, 2, 4, 8, and 15 of the indictment.

According to the evidence presented at trial, Alghazouli operated a business in San Diego known as United Auto Supply, through which he sold automotive supplies, including the refrigerant known as R-12 or Freon. During the course of the trial, the jurors heard testimony from three different smugglers that the conspirators (the defendant and his brothers, Ahed and Omran Alghazouli) made cash purchases of the refrigerant in parking lots in the San Diego area from individuals known to have smuggled it into the United States from Mexico. The evidence also showed that the cylinders of refrigerant sold by the defendant were

painted over and had the Spanish language erased to disguise its origin prior to selling it to customers. The evidence further showed that the defendant and his coconspirators sold the illegally imported refrigerant to automotive repair shops in the San Diego and Los Angeles areas.

The defendant was also convicted of selling R-12 refrigerant to an uncertified buyer. Undercover recordings showed the defendant making the sale to an individual who advised that he did not have the proper certification.

According to Assistant U.S. Attorney Melanie K. Pierson, who prosecuted the case, R-12 (commonly known by the Dupont trade name “Freon”) is a refrigerant used primarily in automobile air conditioning units, and is considered to be an ozone depleting substance. The United States ratified the Montreal Protocol on Ozone Depleting Substances and enacted Section 7671 of Title 42 (part of the Clean Air Act) in 1990 to empower the EPA to promulgate regulations to effectuate the treaty. The purpose of the Montreal Protocol was to phase out the use of ozone depleting substances. Pursuant to the treaty, the manufacture and importation of R-12 Freon was phased out in the United States, until by January 1, 1996, it was unlawful to manufacture and import R-12 Freon into the United States. The sale of R-12 Freon, however, was not prohibited in order to allow persons to sell the remaining R-12 Freon they had on-hand. Mexico, as a developing country under the Montreal Protocol, was given an additional 15 years in which to phase out the manufacture of R-12 Freon, which created an active black market in smuggled Freon. EPA regulations make it unlawful to sell R-12 refrigerant to anyone who is not a certified buyer (which involves taking a class and demonstrating that the user possesses the required equipment to recapture the Freon that will be removed from the vehicle’s air conditioning unit).

The defendant’s brother and co-defendant, Ahed Alghazouli is scheduled for trial on similar charges before Judge Houston on August 21, 2006, at 9:00 a.m. Omran Alghazouli remains a fugitive.

DEFENDANT

Criminal Case No. 05-CR-1148-JAH

Amar Alghazouli

SUMMARY OF CHARGES

| | |
|-------------------|---|
| <u>Count 1</u> | Title 18, U.S.C., Sec. 371 - Conspiracy Maximum Penalty: 5 years in custody and \$250,000 fine |
| <u>Counts 2,6</u> | Title 18, U.S.C., Sec. 545 - Sale of Merchandise Imported Contrary to Law Maximum Penalty: 5 years in custody and \$250,000 fine |
| <u>Count 8</u> | Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Launder Money Maximum Penalty: 20 years in custody and a fine of up to \$500,000 |
| <u>Count 15</u> | Title 42, U.S.C. Sec. 7413(c) - Unlawful Sale of Freon Maximum Penalty: 5 years in custody and \$250,000 fine |

Title 18, U.S.C., Sec. 982 - Forfeiture

AGENCIES

U.S. Environmental Protection Agency, Criminal Investigations Division
Federal Bureau of Investigation
Immigration and Customs Enforcement
Department of Transportation, Office of Inspector General